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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,485	03/13/2001	James B. Pugh	P/52-3	3758

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EXAMINER

CHANDLER, SARA M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 02/27/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/805,485	Applicant(s) PUGH, JAMES B.	
	Examiner Sara Chandler	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 December 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3, 6-10 and 12-45 is/are pending in the application.
- 4a) Of the above claim(s) 20-45 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3, 6-10 and 12-19 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 09/805,485 (12/19/2005).

The amendment contains amended Claims 1,12,15; original Claims 2,3,6-10,13,14,16-19; withdrawn claims 20-45.

The amendment contains amended Title

The amendment contains amended Abstract

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3,6-10 and 12-19 are rejected under 35 U.S.C. 102(e) as being anticipated by Morea, Pub. No. US 2002/0120537 A1.

Re Claim 1: Morea discloses a system for providing financial transactions on the Internet comprising:

a computer system linked to the Internet (See Morea, Abstract);

a merchant bank linked to a processing center (See Morea, fig. 12,402,204);

forms of payment (See Morea, fig. 14 "Payment Types") ; and

an escrow system (See Morea, ¶ [0003],[0073];claim 47);
wherein said form of payment is selected from the group consisting of;
manual entered credit card, card present transaction using outside
company proprietary devices (i.e., eConnect, eCashPad), PIN Debit
transactions using same type of card present devices, on-line check, savings
account drafts, money market checks, margin security check, on-line credit
line pulls, wire transfers, sight drafts, letter's of credit, and similar forms of
payment (See Morea, Fig. 3, 92-payment methods);

wherein all forms of payments outside of credit card are treated as an
ACH transaction (See Morea, Fig. 3, 92- ACH/EFT);

wherein each ACH transaction is placed into an escrow account on behalf of a
purchaser and held there until said merchant completes said transaction (See Morea, ¶
[0003],[0073], claim 47).

Re Claim 2: Morea discloses the system of Claim 1 wherein said system
matches a zip code of said merchant to banks having zip codes nearby and sends an
application to said banks for a quote (See Morea, Fig. 13, Claim 53).

Re Claim 3: Morea discloses the system of Claim 1 wherein said banks include
national syndicated banks, international banks and offshore banks (See Morea, ¶
[0003], [0031], [0041], [0071], Claims 10 and 36).

Re Claim 6: Morea discloses the system of claim 1 wherein a purchaser can
interact with a processing center on-line in selecting alternative payment methods if said

Art Unit: 3628

first form of payment chosen by a purchaser does not have available funds (See Morea, figs. 1-4).

Re Claim 7: Morea discloses the system of claim 1 further comprising; a foreign currency exchange for a purchaser if an ACH form of payment has been selected (See Morea, ¶ [0003], [0031], [0041], [0071], claims 10 and 36).

Re Claim 8: Morea discloses system of claim 1 further comprising an encryption process for encrypting a transaction (See Morea, ¶ [0122], [0121]).

Re Claim 9: Morea discloses the system of claim 8 wherein said encryption process takes a transaction and encrypts it as a purchaser loads data into a shopping cart payment process (See Morea, ¶ [0122], [0121])

Re Claim 10: Morea discloses the system of claim 8 wherein said encryption process is only de-encrypted when said transaction reaches said processing center (See Morea, ¶ [0122], [0121]).

Re Claim 12: Morea discloses the system of claim 1 further comprising; said system electronically matching and clearing said transaction by moving funds out of said escrow into a merchant account (See Morea, ACH).

Re Claim 13: Morea discloses the system of claim 12 wherein said system provides notification to said purchaser that a time limit of said escrow has ended and allows said purchaser either to extend said escrow or request a refund of funds (See Morea, ¶ [0003], [0073]; claim 47).

Re Claim 14: Morea discloses the system of claim 1 further comprising; an accounting system that stores details of transactions for retrieval (See Morea, figs. 3-4).

Re Claim 15: Morea discloses method for providing financial transactions on the Internet comprising (See Morea, method steps of Figs. 1-5):

logging on to the Internet (See Morea, Fig. 4- Diagram connecting Buyer and Seller to the internet);

providing a shopping cart selection and merchant account application (See Morea Fig. 4- Net Marketplace; Fig. 7);

linking an e-commerce shopping cart to a processing center (See Morea, Fig. 7 "process credit card payments for your webstore");

choosing a shopping cart (See Fig. 4- Net Marketplace);

creating a merchant account (See Morea, Fig. 7);

providing merchant account information (See Morea, Fig. 7);

submitting said merchant account information to a bank (See Morea, Fig. 12);

submitting said merchant processing request to processing centers for transaction processing quotes (See Morea, Fig. 2 -Processing component; Fig. 6- Transaction Processing component);

notifying said merchant of banks who approved said merchant account request and processing center and their rates; and selecting said bank and processing center (See Morea, Figs. 3,4).

Re Claim 16: Morea discloses the method of claim 15 wherein said shopping cart is selected from the group consisting of an Internet service access processor combined shopping cart, or another shopping cart or e-commerce existing platform. (See Morea, Figs. 7-11)

Re Claim 17: Morea discloses the method of claim 16 wherein said another type of shopping cart has a payment processing platform (See Morea, Figs. 7-11).

Re Claim 18: Morea discloses the method of claim 15 wherein if said user does not get a processing center quote, an ASP/e-commerce site programming organization downloads Internet service access processing engine and links this to an e-commerce site (See Morea, Fig. 5).

Re Claim 19: Morea discloses the method of claim 18 wherein said Asp/e-commerce site programming organization performs a transaction test (See Morea, Fig.5).

Response to Arguments

Applicant's arguments filed on December 19, 2005 have been fully considered but they are not persuasive. The cited in Morea teaches the claims as filed by Applicant (See above).

Re Claim 1: Applicant's representative argues although Morea states that his invention relates to an escrow account, there is no description of how the system works regarding the escrow account other than to define that it exists. Applicant's representative further argues in relation to Claim 1, the escrow account has a specific function with regards to an ACH transaction.

In response, the Examiner notes the escrow account in the application does not have a specific function with regards to an ACH transaction. The applicant fails to disclose attributes of an escrow system distinct from those inherencies in escrow systems, generally, or the escrow system disclosed in Morea, specifically. Escrow is an

Art Unit: 3628

agreement between parties concerning an obligation that provides instructions concerning property (e.g., payment rendered) upon the happening of a certain condition (e.g., merchant performs as agreed by delivering goods, service etc.). In addition, applicant's motivation for using an escrow system (Specification, pg. 4, protecting purchaser from loss of money or fraud) was suggested in Morea (See Morea, ¶ [0039], "Most fraud losses in the B2B space generate from charge-backs, non-performance by buyers and suppliers, and "Not Sufficient Funds" (NSF). The use of an escrow system reduced the likelihood of fraud by keeping payments in an escrow account until performance is complete.

Re Claim 2: Applicant's representative argues although Morea discusses receiving zip codes from the seller or buyer, Morea does not discuss a system having zip codes for banks and therefore cannot match a zip code to a merchant to a zip code to a bank and send the application to a bank for a quote. For these reasons and the reasons stated above for claim 1, Applicant believes claim 2 is not anticipated nor obvious over Morea.

In response, Examiner notes Morea discloses the collection of information regarding the sellers, buyers and banks (e.g., See Morea, Fig. 10, Fig.13, Claim 53). Part of the information collected for the "Depository Financial Institution" is the zip code (See Morea, Fig. 13). Since Morea does disclose collecting zip codes for banks, it is inherent to match a zip code to a merchant to a zip code to a bank and send the application to a bank for a quote. Thus for the reasons stated here and in claim 1, Applicant's arguments are without merit.

Re Claim 3: Applicant's representative argues for the reasons stated above for Claim 1, claim 3 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 1.

Re Claim 6: Applicant's representative argues Morea does not disclose that a purchaser can interact with a processing center on line in selecting alternative payment methods if the first form of payment does not have available funds. For this reason and the reasons stated above for Claim 1, Applicant believes claim 6 is not anticipated nor obvious over Morea.

In response, Examiner notes that Morea discloses the availability of multiple payment methods (See Morea, Fig. 3- e.g., ACH/EFT, Credit Card, Money Transfer etc.). Furthermore, in Fig. 4, Morea discloses how upon the selection of given payment method, the purchaser receives a real-time response approving or declining the payment method (See Morea, Figs. 4). Since the purchaser receives a real-time response regarding approval/decline of the payment method nothing prevents the purchaser from going through the process again using a method of payment that will be approved. Thus, for this reason and for the reasons stated above for Claim 1, Examiner finds the Applicant's claims are without merit.

Re Claim 7: Applicant's representative argues for the reasons stated above for Claim 1, claim 7 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 1.

Re Claim 8: Applicant's representative argues for the reasons stated above for Claim 1, claim 8 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 1.

Re Claim 9: Applicant's representative argues although Morea describes an encryption process, Morea does not describe that the encryption process takes a transaction and encrypts it as a purchaser loads data into a shopping cart payment process. Applicant believes for this reason and the reasons stated above for Claim 1, claim 9 is not anticipated nor obvious over Morea.

In response, Examiner notes the Morea discloses the use of data encryption (See Morea, ¶ [0121]). Morea further discloses how information is scrambled as it is sent over the Internet so that only the intended users can read and understand the encrypted information (See Morea, ¶ [0122.]. In order to limit the information to only the intended user, the encryption must occur when the data is loaded and transferred and the decryption upon arrival to the intended user. This is particularly true with an internet based transaction where data that is not encrypted can be intercepted by third parties. Thus, for this reason and for the reasons stated above for Claim 1, Examiner finds the Applicant's claims are without merit.

Re Claim 10: Applicant's representative argues although Morea discusses an encryption process, Morea does not disclose that the decryption only occurs when the transaction reaches the processing center. Applicant believes for these reasons and the reasons described for Claim 1, claim 10 is not anticipated nor obvious over Morea.

In response, Examiner notes the Morea discloses the use of data encryption (See Morea, ¶ [0121]). Morea further discloses how information is scrambled as it is sent over the Internet so that only the intended users can read and understand the encrypted information (See Morea, ¶ [0122.]. In order to limit the information to only the intended user, the encryption must occur when the data is loaded and transferred and the decryption upon arrival to the intended user. This is particularly true with an internet based transaction where data that is not encrypted can be intercepted by third parties. Thus, for this reason and for the reasons stated above for Claim 1, Examiner finds the Applicant's claims are without merit.

Re Claim 12: Applicant's representative argues for the reasons stated above for Claim 1, claim 12 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 1.

Re Claim 13: Applicant's representative argues although Morea discloses an escrow account, Morea does not disclose providing notification to a purchaser that a time limit of the escrow has ended and allows the purchaser to extend the escrow or request a refund of the funds. Applicant argues for the reasons stated above for Claim 1, claim 13 is not anticipated nor obvious over Morea.

In response, Examiner notes that providing notification to a purchaser that a time limit of the escrow has ended; and allowing a purchaser to extend the escrow or request a refund of funds is inherent. Online transactions (e.g., Escrow, ACH/EFT, credit card etc.) such as those disclosed in Morea are by their very nature short in duration. Failure to perform within a limited time frame warrants the termination of the transaction

and notification of the parties. Furthermore, if the merchant fails satisfy the conditions (e.g., merchant performs as agreed by delivering goods, services etc.) then he would not be entitled to the property in escrow (e.g., payment rendered). Providing a purchaser with the option of an extension of time or option of a refund is standard business practice in this type of situation. Thus for the reasons stated here and in Claim 1, Examiner finds claim 13 is without merit.

Re Claim 14: Applicants representative argues for the reasons stated above for Claim 1, claim 14 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 1.

Re Claim 15: Applicants representative argues Morea does not disclose: linking an e-commerce shopping cart to a processing center; submitting merchant processing requests to processing centers for transaction processing quotes; or notify the merchant of banks who approved said merchant account request and processing center and their rates. For these reasons applicant argues claim 15 is not anticipated or obvious over Morea.

In response, Examiner notes that Morea address each of these points: linking an e-commerce shopping cart to a processing center (See Morea, Fig. 7 "process credit card payments for your webstore"); submitting said merchant processing request to processing centers for transaction processing quotes (See Morea, Fig. 2 -Processing component; Fig. 6- Transaction Processing component); and notifying said merchant of banks who approved said merchant account request and processing center and their rates (See Morea, Figs. 3,4).

Re Claim 16: Applicant's representative argues for the reasons stated above for Claim 15, claim 16 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 15.

Re Claim 17: Applicant's representative argues for the reasons stated above for Claim 15, claim 17 is not anticipated nor obvious over Morea. Examiner finds the Applicant's argument is without merit based on the rationale discussed for Claim 15.

Re Claim 18: Applicant's representative argues Morea does not teach that if the user does not get a processing quote, an Asp/e-commerce cite downloads access. Applicant further argues for the reasons stated above for Claim 15, claim 18 is not anticipated nor obvious over Morea. Examiner notes these claims are without merit due to the presence of these features in Morea (See Morea, Fig. 5) and based on the rationale discussed for Claim 15.

Re Claim 19: Applicant's representative argues Morea does not teach that the ASP/e-commerce cites performs a transaction test. Applicant argues for this reason and the reason stated above for claim 15, claim 19 is not anticipated nor obvious over Morea. Examiner notes this feature is present in Morea (See Morea, Fig. 5-transaction review, transaction validation). Examiner finds the claim is without merit for this reason and based on the rationale discussed for Claim 15.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

Art Unit: 3628

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3628

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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